

CHIEF EXECUTIVE OFFICER'S REPORT

February 2018

Health Colorado – The team that has been selected to administer the RAE is Alonzo Payne, Chief Executive Officer, Tina McCrory, Chief Operating Officer and Sandy Gutierrez, Chief Policy and Public Relations Officer. The team is becoming more involved with the startup events that are unfolding. Alonzo will be employed by HC April 1 and the other staff will come on July 1, 2018. There will be a capital call to fund Alonzo's position and all are in agreement. It is important to have him fully engaged given the workload demands that have surfaced. We have already dealt with the Bylaws, Allocation Agreement and Administrative Services Agreement. The Performance Standard & Sanctions Agreement is still a work in progress.

Crossroads Turning Point – Sandy and JC had a scheduled meeting with Leroy and two of his board members. Sandy was contacted by Leroy's assistant to cancel the meeting, stating that he would not have time to meet in the near future. We understand that he is not happy with Sandy, as she has been talking to legislators about the Circle program. Based on this latest, but predictable behavior we sent him a letter and copied his board stating that we were no longer interested in investigating a merger with them.

Staff Retention Plan – The State of Colorado has a workforce shortage that seems to continue to grow. The challenge has always been there in rural Colorado, but the demand in the current environment feels much more different. We will be proposing a change in benefits and salary adjustments to carry us to the end of the FY2017-18. This is a short-term fix (4 month) and we will plan to address these same issues as we prepare for the FY2018-19 budget. Staff will present to the board the issues that they are facing, which will include a request to approve a short-term plan.

CC Residential Building – We have conferment with the state that there are no residential funding options at this time. We have also been informed that the Circle program will not be duplicated or broken apart for a smaller residential opportunity in our area. Given this information, we are asking the board to consider selling the building to Doug Carrigan owner of Advantage Treatment Center.

CC Administration Building – We have been given notice by OBH and Aspen Pointe and is awaiting clearance from the Controller's office. We have engaged a contractor to provide a bid to renovate the building. We will convert half of the building to an afterhours crisis walk in center and the other half will remain as office space for future growth. We will be purchasing two transportation vehicles to meet the expectations of the grant, which is to transport our clients outside of the valley for psychiatric care.

CHP – The close out demands have been much more than anyone expected and both Tina and Arnold are fully engaged. We do not expect to close out the company on June 30, 2018 and shortly thereafter be paid based on our partnership equity. We are told it may take 4 to 6 months

before we see any of these dollars. The good news is that we have enough funds in our reserves to pay the cash call on our equity buy into the partnership. The check went out this week for \$740,000.